

Debtors' Ex. 71

(H. B. 2722)
(Conference)

No. 149

(Approved August 9, 2002)

AN ACT

To authorize the issue of bonds of the Commonwealth of Puerto Rico in a principal amount which shall not exceed one hundred ten million (110,000,000) dollars, plus the amount needed to cover the costs related to the issue and sale of said bonds; authorize the use of the proceeds of said bonds for the purposes established in this Act; establish a special fund denominated Special Fund for Contributions of the Government Development Bank for Puerto Rico, and provide for the payment of principal, redemption premium and interest on said funds from funds deposited in said special fund; authorize the Secretary of the Treasury to make disbursements for the purposes established in this Act and to make provisional advances from the General Fund of the Treasury of the Commonwealth of Puerto Rico to be applied to the payment of the uses authorized by this Act and the costs of the issue and sale of said bonds; and to exempt said bonds and their interest from the payment of taxes.

STATEMENT OF MOTIVES

House Bill No. 2185 amended the Enabling Act of the Government Development Bank for Puerto Rico (the "Bank"), Act No. 17 of September 23, 1948, as amended, in order to authorize an annual contribution to be made by the Bank, of 10% of its net income according to the audited statements of the Bank, or the sum of ten million (10,000,000) dollars, whichever is greater, and to provide that such funds shall be deposited in their totality in the General Fund of the Commonwealth of Puerto Rico.

3. Intelligent Card
(to develop the systems needed for the development and implementation of the Intelligent Card through which the record and the pertinent medical information of the participant may be accessed, to expedite the rendering of services and the quality thereof) \$15,000,000
4. "Temporary Assistance for Needy Families"
(for the payment of a debt accrued up to fiscal year 1999-2000 for the matching of federal funds and to extend the coverage of this program) 13,000,000
5. Puerto Rico Digital State Act
(for the acquisition of programming and the development of the infrastructure needed to comply with this Act and to begin providing government services on line, "e-government") 2,000,000
6. Puerto Rico Industrial Development Company
(to grant incentives for the promotion and establishment of new industries) 10,000,000
7. ~~Rural Development Corporation
municipal projects and public capital
works and improvements~~ 9,000,000
8. ~~Office for the Improvement of Public
Schools, for capital improvement
projects (classrooms, reconstruction
not to be used for maintenance)~~ 5,000,000
9. ~~Capital works and improvements~~ 7,000,000
10. ~~Public improvement projects,
improvements in municipal
projects and housing~~ 4,000,000

on the date and price determined by him/her, may be sold with or without premium, shall be of such denomination and in such form, including the form of bonds with interest coupons, registered bonds with or without coupons or uncertified bonds, shall have such registration and conversion privileges, shall be executed in such a form, shall be payable in such places within or without the Commonwealth of Puerto Rico, and shall contain such other terms and conditions as provided in the resolution or resolutions of the Secretary of the Treasury that authorize said issue.

- (c) The bonds authorized hereunder may be sold all at once or from time to time, in public or private sale, and for such price or prices not lower than the price legally established at the time they are issued, determined by the Secretary of the Treasury with the approval of the Governor to be most convenient for the best interests of the Commonwealth of Puerto Rico.
- (d) When any official whose signature or facsimile thereof appears on any bond or coupon authorized under this Act, ceases to hold office prior to the delivery of said bonds, said signature or facsimile shall, nevertheless, be valid and sufficient, it being deemed for all purposes as if said official had remained in office until such delivery. Furthermore, any bond or coupon may bear the signature or facsimile of those persons who, at the time said bond is signed are the proper officials to sign it, although, on the date of the bond, they were not holding such office.

created under the provisions of Section 4 of this Act. All of the money deposited in said fund shall be used for the payment of the principal, the redemption premium, if any, and the interest on the bonds issued under the provisions of this Act. The Secretary of the Treasury is hereby authorized and is directed to pay the principal, redemption premium, if any, and interest on such bonds, as they mature, solely from the funds deposited in the Special Fund for Contributions of the Government Development Bank for Puerto Rico, created under the provisions of Section 4 of this Act, in the fiscal year in which said payment is required and the provisions of this Act regarding the payment of principal, redemption premium, if any, and the interest on said bonds, shall be deemed a continuing appropriation for the Secretary of the Treasury to make said payments even though no specific appropriations for said purposes are made. Said payments shall be made pursuant to the provisions of the laws of the Commonwealth that regulate disbursements of public funds. While all the bonds issued pursuant to the provisions of this Act are not paid, the funds deposited in the Special Fund for Contributions of the Government Development Bank for Puerto Rico, created under the provisions of Section 4 of this Act, shall not be used for any purpose other than that specified in this Act. The good faith, credit and taxing power of the Commonwealth of Puerto Rico are not pledged for the payment of the principal, redemption premium and interest on the bonds issued under the provisions of this Act.

Section 6.- The bonds issued pursuant to the provisions of this Act shall not be deemed obligations of the Commonwealth of Puerto Rico for whose payment the good faith, credit and taxing power of the Commonwealth of Puerto Rico are used for the purpose of determining the

Act are additional to any other previously-authorized bonds of the Commonwealth of Puerto Rico.

Section 11.- This Act shall take effect immediately after its approval.